

Topic 6.2

# Westward Expansion: Economic Development

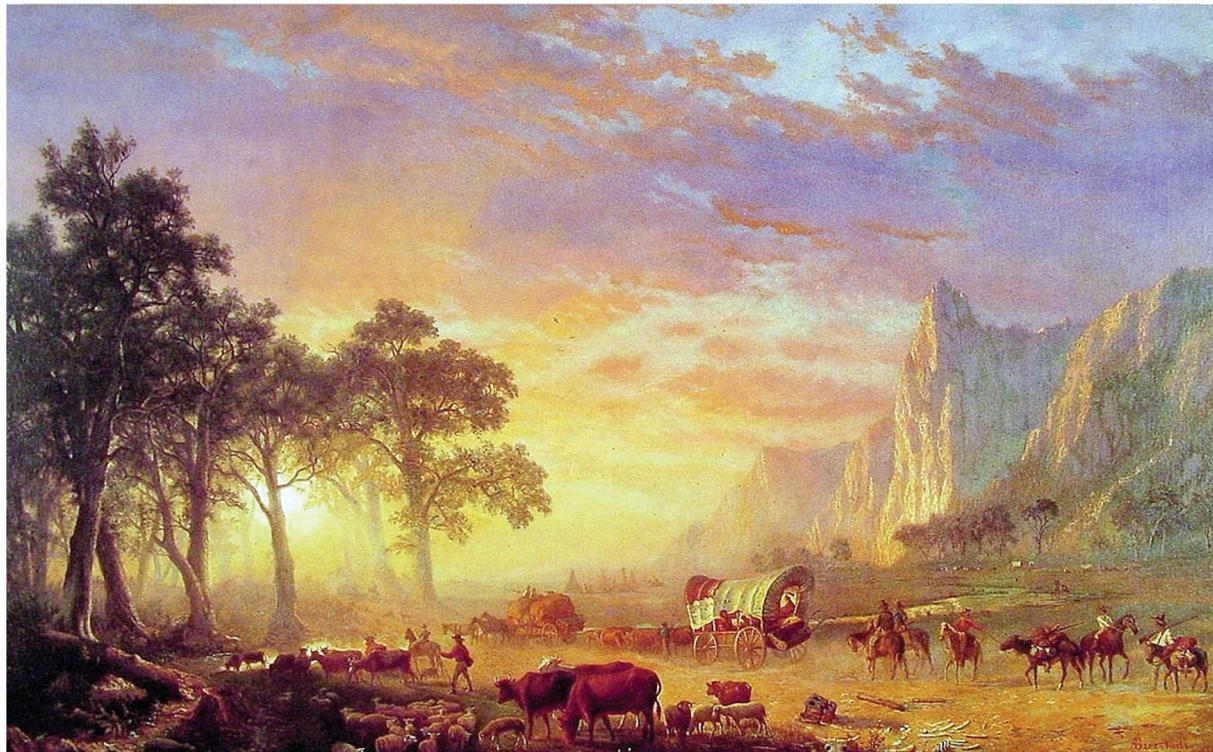
## You Will Learn To:

- Explain the causes and effects of government-sponsored western settlement from 1877 to 1898.

## Government-Sponsored Growth

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Prior to the Civil War, economic development of the American West occurred with little government direction. In the 1840s, settlers streamed across the Great Plains via wagon, yet the population of the country's interior remained sparse.



During the Civil War and after, however, the US government was the primary engine of economic development in the West.

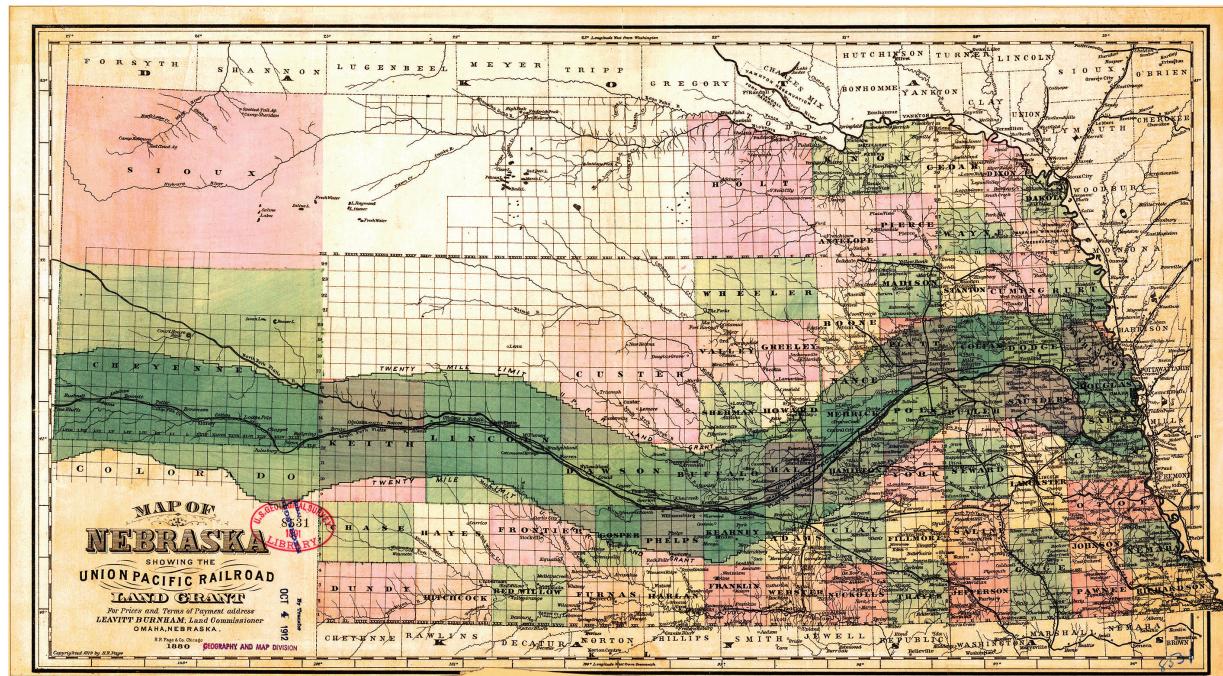
## Congress Subsidizes Western Settlement

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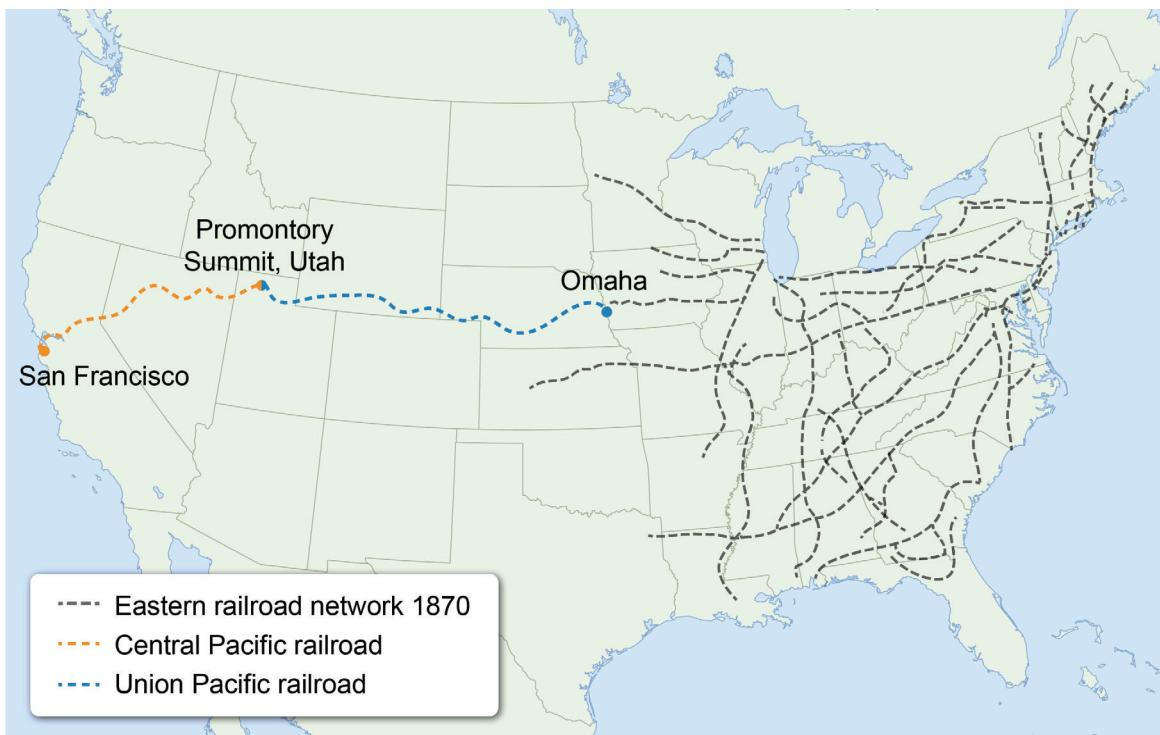
In 1862, Congress passed measures to subsidize (support) western settlement.

### The Pacific Railway Act

Railroad companies were hesitant to risk the capital necessary to build a vast transportation network stretching across the country. Therefore, Congress incentivized railroad construction through land grants that offset the high construction costs.



The government transferred some 100 million acres of public land for the purpose of railroad construction. Rail companies sold surplus land to cattle ranchers, prospectors, and pioneers for the creation of towns along the new rail lines, and the revenue from these towns supported further railroad construction.



In 1869, the Union Pacific and Central Pacific companies completed the transcontinental railroad at Promontory Summit, Utah, leading to:

- decreased travel times.
- efficient transport of raw materials to eastern industrial centers.
- the creation of standardized time zones.

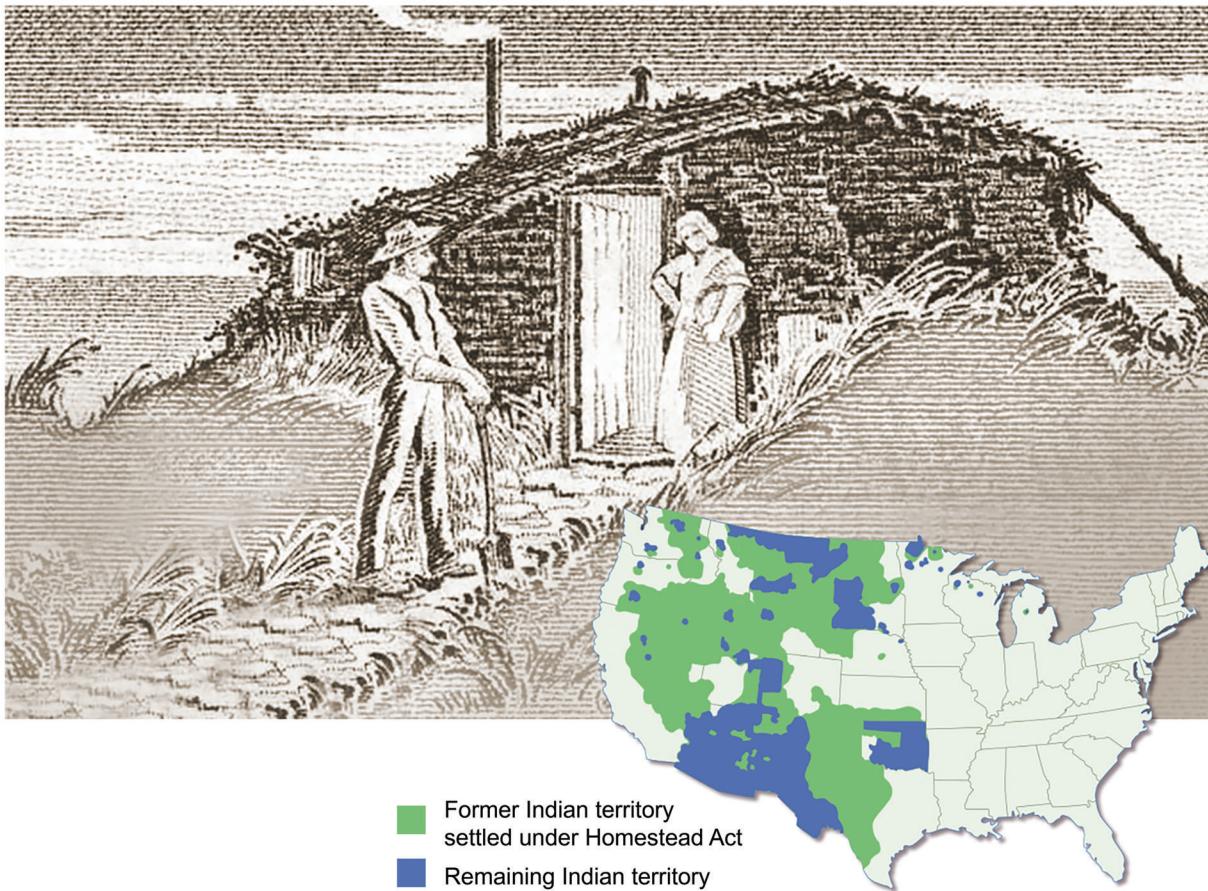
Other railways linked smaller and larger towns, opening regions to settlement.

### Mining Opportunities

The railroad's penetration into the West created opportunities for mining. The processing of valuable gold and silver from California and Nevada required efficient transportation. Eastbound trains shipped the raw gold and silver, while trains on westbound lines brought fresh supplies and laborers.

### The Homestead Act

The Homestead Act granted 160-acre plots of land to settlers who agreed to live on the land and farm it for at least five years. To assist western homesteaders, the Morrill Land Grant Act (1862) established state colleges, providing training in efficient farming techniques.



The Homestead Act transferred 85 million acres of public land into private hands. As a result, homesteaders flooded into Nebraska, Texas, Kansas, and Colorado.

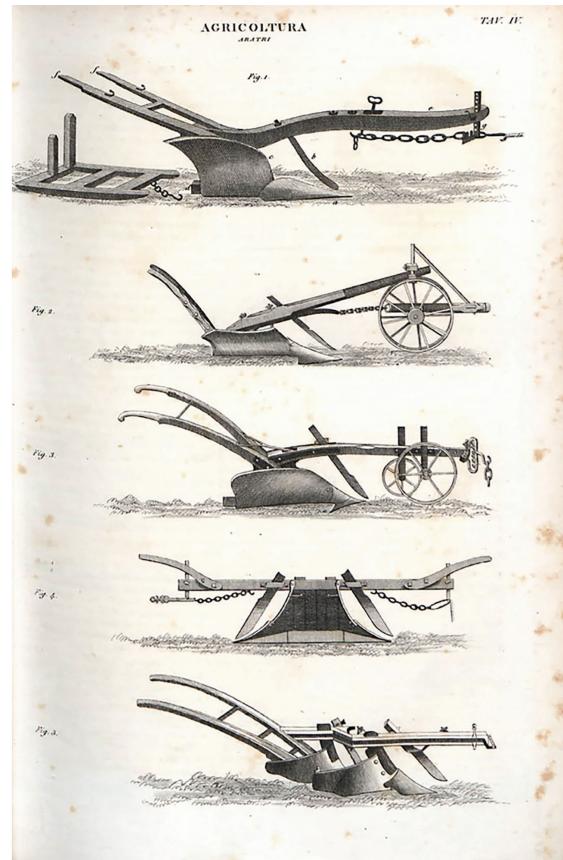
## Technology Improves Farm Production

A revolution in farming technology increased crop production while requiring less labor on farms. As a result, Americans' diets improved and food prices declined. However, supply increases reduced the farms' profits.

### New Farming Technology

New technologies made farming more efficient:

- Improved steel plows cut through tough prairie soil more easily.
- Barbed wire reduced the cost of protecting vast tracts of land.



The harvesting of wheat had traditionally involved slow manual labor with hand tools, but Cyrus McCormick's mechanical reaper utilized a vibrating blade. While early models of the reaper were pulled by a wheeled chariot, later models used steam power to speed production. As a result:

- farmers saved on labor costs.
- the quality of American diets increased.
- the cost of food decreased.

## The Farmer's Struggle

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New farm technologies came at a steep price for farmers. Beginning in the 1870s, as production on farms increased, agricultural commodity prices fell, reducing the farmers' incomes.

**United States Crop Prices, 1878–1897**

Years	Wheat (per bushel)	Corn (per bushel)	Cotton (per pound)
1878–1881	\$1.00	\$0.43	\$0.09
1882–1885	\$0.80	\$0.39	\$0.09
1886–1889	\$0.74	\$0.35	\$0.08
1890–1893	\$0.70	\$0.41	\$0.07
1894–1897	\$0.63	\$0.29	\$0.05

Small family farms suffered from competition with large "bonanza farms" run by corporations. The Homestead Act's 160-acre allotment was often too small to generate a profit. Thus, many small farms sold their land to larger operations.

## Farmers Organize

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Because farmers relied on the railroads to transport their crops, many of them joined organizations such as the Grange and Farmers' Alliances to defend themselves against unfair railroad practices.

### The Grange Movement

Railroad companies began taking advantage of farmers' dependence, charging excessive rates to transport crops and store grain. Many farmers, who believed themselves to be contributors to economic growth, felt these practices were unjust.



Despite the challenges of bringing together a coalition of farmers, who were often individualistic by nature and isolated from each other geographically, western farmers organized the Grange Movement in 1867 to address their problems. Grangers, whose numbers surged to 700,000 members in 9,000 chapters by 1873, spearheaded laws in Illinois that regulated excessive railroad rates for farm commodities.

### **The Farmers' Alliance**

Whereas the Grangers primarily operated through local chapters, the Farmers' Alliance organized at the state level to demand broader reforms, such as:

- federal regulation of railroads.
- easy access to farm loans.
- currency reform to allow easier repayment of debt.

To fight overproduction, Alliance members advocated cooperative storage programs.



Falling crop prices, drought, and abuses by railroad companies forced America's farm population to grow more politically active throughout the late 19<sup>th</sup> century. Although Congress was often unresponsive to the demands of farmers, they urged the federal government to provide storage facilities for excess grain, which would allow prices to rise.

### The Railroad as a Lifeline

Railroads delivered vital supplies such as timber and farm equipment and made it possible for Chicago's Sears, Roebuck, and Company to sell manufactured goods to distant settlers.



Through catalogs, families in isolated areas were able to purchase fine furnishings, such as ready-made clothing and other small luxuries. Homesteaders in the Great Plains often built their homes from mounds of sod or dirt. Not wanting to appear uncivilized, the "sodbusters" purchased doors, windows, and even pianos to dignify family photographs they sent back east to relatives.

## Things to Remember

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- The US government facilitated economic development in the American West by subsidizing railroad companies.
- The Homestead Act incentivized western settlement by offering free land to homesteaders who cultivated it.
- New technologies led to increases in agricultural production and lower crop prices while decreasing farms' incomes.
- Farmers responded to the agricultural consolidation created by bonanza farms and unfair railroad practices by forming cooperative organizations such as the Granger Movement.

## Key Terms and Developments

Farmers' Alliance

Homestead Act

Land grants

Mechanical reaper

Pacific Railway Act

The Grange Movement

## 6.2 Check for Understanding

- 1. Which of the following best describes land grants?**
  - A. Land given to western farmers to help settle the Great Plains
  - B. Public lands transferred to railroads to incentivize new construction
  - C. Native American lands sold to White settlers
  - D. Public lands used by cattle ranchers for grazing
- 2. Which of the following describes an effect of the Homestead Act?**
  - A. The government gave away free land with no condition
  - B. Westward migration increased after the Civil War
  - C. State colleges received additional funding to research better farming techniques
  - D. Western settlers were allowed to purchase formerly Native lands
- 3. Which of the following agricultural inventions led to a reduction in crop prices?**
  - A. Barbed wire
  - B. The steel plow
  - C. The mechanical reaper
  - D. Interchangeable parts
- 4. Which of the following was a goal of the Grange Movement?**
  - A. Free coinage of silver
  - B. The direct election of senators
  - C. Repeal of the Homestead Act
  - D. Government regulation of the railroads
- 5. The completion of the Transcontinental Railroad resulted in which of the following?**
  - A. The standardization of time
  - B. An increase in travel times
  - C. An increase in the cost of consumer goods
  - D. A decrease in conflict with Native Americans